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STATE FOR NEA/ELA, EBB/TPP/MTA/RHEE AND SCHEIBE
USTR FOR NORTON, WEISS, PRESCOTT
COMMERCE FOR BRZYT

E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [WTO](#) [SENV](#) [EG](#)
SUBJECT: WTO DEMARCHES DELIVERED ON ENVIRONMENTAL, TAFT
GOODS IN EGYPT

REF: A. STATE 12905
[B](#). STATE 11974

Sensitive but unclassified, not for Internet distribution.

[1](#). (SBU) SUMMARY: Econ Counselor and econoff delivered demarches on the US/EC proposals on labeling for textile, apparel, footwear, and travel (TAFT) goods (ref A) and environmental goods and services (ref B) to Walid el-Nozahay, head of the WTO department at the Egyptian Ministry of Trade and Industry, on February 11. European Commission econ counselor Christophe Besse joined in the demarche on TAFT goods, but had no instructions regarding the environmental goods and services proposal. Nozahay said both issues are under consideration and offered no definitive response. END SUMMARY

TAFT goods

[2](#). (SBU) Before the meeting, we sent the TAFT negotiating text to Nozahay and sought formal co-sponsorship from the GOE on February 11. He responded that he was waiting for comment from private-sector stakeholders at the Egyptian Federation of Industries. Meanwhile, he noted that the proposal differed from an earlier EC paper and questioned whether the issue should be addressed bilaterally with the EC or in the WTO. We and the EC jointly responded that the WTO was the appropriate venue. Nozahay also suggested that labels should include trademark and size information.

Environmental Goods

[3](#). (SBU) In response to the US-EC proposal to eliminate tariffs and non-tariff barriers to trade in environmental goods and services, Nozahay said that the GOE disagrees with the Indian project approach and is formulating its own list of environmental goods based on the World Bank list and the interests of Egyptian private industry. Nozahay said his concern is the lack of a precise definition for environmental goods and services; i.e. do they include goods produced in an environmentally friendly way or include only goods whose use is beneficial to the environment? We promised to seek clarification on the definition.

[4](#). (SBU) Nozahay also questioned our assertion that Egyptian exports of the World Bank's climate-friendly goods totaled \$629 million in 2006. In fact, he said, Egyptian exports of

the goods are negligible. We promised to seek clarification on this point as well.

¶5. (SBU) Action request: Department is requested to provide more detail on the \$629 million figure and a definition of environmental goods and services we can share with Nozahay.

¶6. (SBU) Comment: The environmental goods and services demarche left us with no reason to question ref B assertion that the GOE is using the process of developing its own environmental-goods list to play for time in the NAMA negotiations.
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